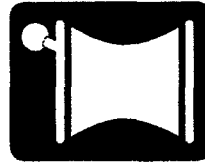


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Pharmacy Billing Manual

for
Nevada Medicaid and Nevada Check Up



NV 044508

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Section 12: Provider Payment

12.1 Maximum Allowable Cost

The Maximum Allowable Cost price is the lower of (1) the cost established by the Center for Medicaid and Medicare Services (CMS) for multiple source drugs that meet the criteria set forth in 42 CFR 447.332 and 1927 (f)(2) of the Act, or (2) the cost established by DHCFP for multiple source drugs under the State Maximum Allowable Cost.

MAC List

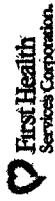
Nevada Medicaid and Nevada Check Up use a Maximum Allowable Cost (MAC) List to determine drug payment amounts. The MAC List is available online at <http://nevada.fisc.com>. Select "MAC Information" from the "Pharmacy" drop-down menu as shown below.

The screenshot shows the Nevada Medicaid MAC List website. The header includes the Nevada Medicaid logo and the text "Nevada Medicaid MAC List". Below the header, there is a section titled "Maximum Allowable Cost Information" which states: "The Maximum Allowable Cost (MAC) List for use by pharmacies provides Nevada Medicaid pricing for multi-source generic drugs." Below this, there is a section titled "MAC List Information" which states: "The MAC List is updated monthly and managed by First Health Services. If you have any questions about the MAC List, please contact our Clinical Call Center at (800) 509-9145." At the bottom of the screenshot, there is a table with the following columns: "Drug Name", "MAC List", "MAC List", "MAC List", "MAC List". The table contains the following data: "Nevada Medicaid MAC List", "MAC List", "MAC List", "MAC List", "MAC List".

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12.2 Payment Algorithms

Medicaid pays for all drugs and supplies except diabetic supplies using the lowest cost algorithm from the list below:



- 728 • Estimated Acquisition Cost (EAC) = Average Wholesale Price (AWP) – 15% + dispensing fee
- 729 • Federal Upper Limit + Dispensing fee
- 730 • Maximum Allowable Cost (MAC) List price + Dispensing fee
- 731 • Department Of Justice (DOJ) – 15% + Dispensing fee
- 732 • Gross Amount Due (NCPDP field #430-DU) (submitted)
- 733 • Usual and Customary (NCPDP field #426-DQ) (submitted)

Diabetic Supplies

Diabetic supplies are paid using the lowest cost algorithm from the list below:

- 736 • Average Wholesale Price (AWP) – 10% + \$1.58 (Note: \$1.58 is the handling and dispensing fee)
- 737 • Gross Amount Due (NCPDP field #430-DU) (submitted)
- 738 • Usual and Customary (NCPDP field #426-DQ) (submitted)
- 739 • Usual and Customary (NCPDP field #426-DQ) (submitted)

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